

CAMPAIGN SPENDING COMMISSION

STATE OF HAWAII

In Re the Matter of)	CA 03-24
)	
ENGINEERS SURVEYORS HAWAII,)	
INC. and Kendall N.H. Hee,)	
)	
Respondents.)	
_____)	

CONCILIATION AGREEMENT

On or around September 2001, Robert Y. Watada, Executive Director for the Campaign Spending Commission ("Commission"), initiated an investigation of Respondents, Engineers Surveyors Hawaii, Inc., Kendall N.H. Hee, Eric N.S. Hee and Robert T. Watari ("Engineers" unless otherwise noted Engineers shall refer collectively to the corporation and officers). Business Registration Division records list Engineers purpose as engineering and surveying, whose business address is 900 Halekauwila Street, Honolulu, Hawaii. Officers of Engineers include:

Kendall N.H. Hee	President
Eric N.S. Hee	Vice-President
Robert T. Watari	Vice-President
Terri Ann Horie	Secretary

The investigation was initiated pursuant to the express authority of section 11-193, Hawaii Revised Statutes ("HRS"), for a determination of whether the campaign spending law had been violated and a complaint would be submitted to the Commission.

NOW, THEREFORE, Engineers and the Commission, having entered into conciliation and pursuant to section 11-216(g), HRS, do hereby agree as follows:

- I. That the Commission has jurisdiction over Respondents and the subject matter of this administrative action.

- II. That this Conciliation Agreement ("Agreement") and upon complete performance of the conditions stated herein has the effect of remedial or corrective action taken by Respondents pursuant to section 11-216(g), HRS.
- III. That Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- IV. That Respondents waive the right to be heard at a public hearing conducted under chapter 91, HRS, pursuant to section 11-228(b), HRS.
- V. That Respondents enter into this Agreement with the Commission on their own volition and with full knowledge and understanding.
- VI. That parties agree to the pertinent facts as follows:
1. On or around September 2001 Robert Y. Watada, in his capacity as Executive Director of the Campaign Spending Commission, and upon information received through the disclosure statements of candidate campaign committees including:

Andy Anderson ("Anderson");
Ben Cayetano ("Cayetano");
Frank Fasi ("Fasi");
Fred Holshuh ("Holshuh")
Jeremy Harris ("Harris");
Kimo Apana ("Apana");
Linda Lingle ("Lingle");
Mazie Hirono ("Hirono"); and
Mufi Hannemann ("Hannemann"),

initiated an investigation involving excess contributions in violation of particular campaign finance statutes.

2. Section 11-204(a)(1)(B), HRS, reads in part as follows: No person, other than a candidate for the candidate's own campaign, or any other entity shall make contributions to:...A candidate seeking nomination or election to a four-year statewide office or to the candidate's committee in an aggregate amount greater than \$6,000 during an election period.
3. Section 11-204(a)(1)(C), HRS, reads in part as follows: No person, other than a candidate for the candidate's own campaign, or any other entity shall make contributions to:...A candidate seeking nomination or election to a four-year nonstatewide office or to the candidate's committee in an aggregate amount greater than \$4,000 during an election period.
4. Section 11-202, HRS, reads in part as follows: No person shall make a contribution of the person's own money or property, or money or property of another person to any candidate, party, or committee in connection with a nomination for election, or election in any name other than the true name of the person who owns the money or who supplied the money or property.
5. The Commission finds that contributions made to candidates by employees, family members and friends include:

Shelley Hee, wife of Kendall Hee (contributions also made using maiden name-Shelley Lou Jow),
William B.C. Hee, Deceased Father of Kendall & Eric Hee,
Vivian M. Hee, Mother of Kendall & Eric Hee,
Deanne Grathwohl, Sister of Kendall & Eric Hee,
Dean Grathwohl, Husband of Deanne Grathwohl,

Linda Hee, Sister of Kendall & Eric Hee,
 Carolyn Tsukamoto, Sister of Kendall & Eric Hee,
 Stuart Jow, Brother of Shelley Hee,
 Julie Nonaka Jow, Wife of Stuart Jow,
 Jeanne H. Watari, Wife of Robert Watari,
 Amy Watari, Daughter of Robert Watari,
 Col. Hisao Yamada, Employee,
 Audrey Yamada, Wife of Hisao Yamada,
 Terri Ann Horie, Employee,
 Miles S. Horie, Employee,
 Rudolph Munoz, Employee,
 Karl Piotrowski, Employee,
 Jerry Nakagawa, Former Partner at Engineers,
 Lillian Nakagawa, Wife of Jerry Nakagawa,
 Wilfred Paresa, Former Employee,
 Lynne Paresa, Wife of Wilfred Paresa
 Dr. Yeoh Ghim, Friend,
 Dr. Ed Muranaka, Friend,
 Charlene Muranaka, Wife of Dr. Ed Muranaka,
 Cynthia Kincaid, Employee of Yeoh & Muranaka,
 Alvin Hirabara, Friend
 Rodney Fujita, Friend,
 Kevin Inouye, Friend, and
 Rosalinda Inouye, Wife of Kevin Inouye.

6. The Commission finds that Engineers, employees, family and friends made contributions to the Anderson campaign in the amount of \$33,750 as follows:

1/02	Kendall N.H. Hee	\$6,000
	Carolyn J. Tsukamoto	\$6,000
	Julie Nonaka Jow	\$3,000
	Stuart Jow	\$3,000
3/02	Rodney K. Fujita	\$6,000
8/02	Eric Nan San Hee	\$3,750
	Shelley L.J. Hee	\$3,750
	Karl P. Piotrowski	\$ 750
	Robert T. Watari	\$ 750
	Col. Hisao Yamada	\$ 750

7. The Commission finds that Engineers, employees, family and friends made contributions to the Cayetano campaign in the amount of \$38,500 as follows:

12/97	Eric Nam San Hee	\$2,000
	Kendall Hee	\$1,000
	William B. Hee	\$2,000
	Vivian M. Hee	\$2,000
	Terri Ann A. Horie	\$1,000
	Stuart M. Jow	\$2,000
	Julie Nonaka Jow	\$2,000
	Shelley Lou Jow	\$2,000
	Wilfred Paresa	\$2,000
	Lynne Paresa	\$2,000
	Robert W. Watari	\$2,000
	Jeanne H. Watari	\$2,000
7/98	Kendall Hee	\$2,000
10/98	Kendall Hee	\$2,000
	William B. Hee	\$2,000
	Jerry Nakagawa	\$2,000
	Lillian Nakagawa	\$2,000
	Wilfred Paresa	\$2,000
	Lynne R. Paresa	\$2,000
	Robert t. Watari	\$2,000
	Jeanne H. Watari	\$2,000

8. The Commission finds that Engineers, employees, family and friends made contributions to the Harris campaign in the amount of \$96,100 as follows:

8/96	Cynthia Kincaid	\$2,000
	Charlene Muranaka	\$2,000
	Edwin Muranaka	\$2,000
	Ghim L. Yeoh	\$2,000
9/96	Wilfred J. Paresa	\$ 400
11/96	Shelley Lou Jow	\$2,000
11/96	Cynthia Kincaid	\$2,000
	Edwin Muranaka	\$2,000
	Charlene Muranaka	\$2,000
	Ghim L. Yeoh	\$2,000
11/97	Eric Nam San Hee	\$ 950
	Kendall Hee	\$ 950

	William B.C. Hee	\$ 950
	Vivian M. Hee	\$ 950
	Shelley L. Jow	\$2,000
	Wilfred Paresa	\$ 950
	Lynne Paresa	\$ 950
	Robert T. Watari	\$ 950
	Jeanne H. Watari	\$ 950
6/99	Kendall N.H. Hee	\$2,000
	Linda W.F. Hee	\$2,000
	Eric Nam San Hee	\$ 50
	Eric Nam San Hee	\$1,250
	Shelley L.J. Hee	\$2,000
	Vivian M. Hee	\$2,000
	William B.C. Hee	\$2,000
	Jeanne H. Watari	\$2,000
	Robert T. Watari	\$2,000
12/99	Dean M. Grathwohl	\$2,000
	Deanne H. Grathwohl	\$2,000
	Wilfred J. Paresa	\$2,000
	Lynne R. Paresa	\$2,000
	Audrey A. Yamada	\$2,000
	Col. Hisao Yamada	\$2,000
9/00	Dean M. Grathwohl	\$2,000
	Deanne H. Grathwohl	\$2,000
	Kendall N.H. Hee	\$1,050
	Linda W.F. Hee	\$2,000
	Shelley L.J. Hee	\$2,000
	Vivian M. Hee	\$1,050
	Amy Watari	\$ 950
	Audrey A. Yamada	\$2,000
	Col. Hisao Yamada	\$2,000
11/00	Rodney K. Fujita	\$4,000
	Eric Nam San Hee	\$1,750
	Alvin Y. Hirabara	\$4,000
12/01	Eric Nam San Hee	\$2,000
	Kendall N.H. Hee	\$1,000
	Kendall N.H. Hee	\$1,000
	Linda W.F. Hee	\$2,000
	Shelley L.J. Hee	\$2,000
	Vivian M. Hee	\$2,000
12/01	Karl P. Piotrowski	\$2,000
	Jeanne H. Watari	\$2,000
	Robert T. Watari	\$2,000

9. The Commission finds that Engineers, employees, family and friends made contribution to the Hirono campaign in the amount of \$27,200 as follows:

9/97	Kendall N.H. Hee	\$1,000
	Vivian M. Hee	\$2,000
	William B.C. Hee	\$2,000
7/98	William B.C. Hee	\$2,000
	William B.C. Hee	\$ 700
10/98	Eric Nam San Hee	\$2,000
	Kendall N.H. Hee	\$2,000
	Kendall N.H. Hee	\$2,000
	Jeanne H. Watari	\$2,000
	Robert t. Watari	\$2,000
11/98	Vivian M. Hee	\$2,000
12/98	Miles S. Horie	\$ 500
	Rudolph Munoz, Jr.	\$ 500
7/01	Eric Nam San Hee	\$ 250
	Kendall N.H. Hee	\$ 500
	Shelley L. Hee	\$ 250
3/02	Jeanne H. Watari	\$ 750
	Robert t. Watari	\$ 750
4/02	Rodney K. Fujita	\$ 750
	Eric Nam San Hee	\$ 750
	Kendall N.H. Hee	\$2,500

10. The Commission finds that Engineers, employees, family and friends made contributions to the Hannemann campaign in the amount of \$45,800 as follows:

6/00	Dean Grathwohl	\$4,000
	Deanne Grathwohl	\$4,000
	Kevin T. Inouye	\$4,000
9/00	Cynthia Kincaid	\$4,000
	Dr. Ghim Yeoh	\$4,000
6/01	Kendall N.H. Hee	\$ 200
	Vivian M. Hee	\$3,000
	Kevin T. Inouye	\$2,000
6/01	Rosalinda Inouye	\$2,000
	Cynthia Kincaid	\$2,000
	Jerry S. Nakagawa	\$3,000
	Jeanne T. Watari	\$ 500

	Robert T. Watari	\$ 500
	Col. Hisao Yamada	\$1,000
	Dr. Ghim L. Yeoh	\$2,000
	Eric Nam San Hee	\$ 500
10/01	Dean Grathwohl	\$ 750
	Deanne H. Grathwohl	\$ 750
11/01	Kendall N.H. Hee	\$ 100
	Eric Nam San Hee	\$3,000
5/02	Kendall N.H. Hee	\$3,000
	Karl P. Piotrowski	\$1,500

11. The Commission finds that officers of Engineers made contributions to the Apana campaign in the amount of \$10,000 as follows:

6/01	Eric Nam San Hee	\$2,000
	Kendall N.H. Hee	\$4,000
	Jeanne H. Watari	\$2,000
	Robert T. Watari	\$2,000

12. The Commission finds that family members of Kendall Hee made contributions to the Fasi campaign in the amount of \$2,000 as follows:

8/98	Dean M. Grathwohl	\$1,000
	Deanne Grathwohl	\$1,000

13. The Commission finds that on or about October 2000, Kendall Hee made a contribution to Fred Holshuh in the amount of \$4,000.
14. The Commission finds that on or about May 1997, William B.C. Hee made a contribution to the Lingle campaign in the amount of \$1,000.
15. That Engineers did not file an organizational report pursuant to section 11-194, HRS.

16. That Engineers did not to file state contractor reports pursuant to section 11-205.5, HRS.
17. That Engineers did not file disclosure reports pursuant to sections 11-212 and 11-213, HRS.

VII. Settlement Terms

As final settlement of the matter and issues in Conciliation Agreement #03-24, Respondents understands and agrees to the following:

- (A) Respondents agree to an assessment of **Seventy-eight Thousand Five Hundred Dollars (\$78,500)** pursuant to section 11-228, HRS.
 - (1) For violation of section 11-202, HRS, making false name contributions to the campaign committees of Anderson, Cayetano, Fasi, Harris, Hirono and Hannemann;
 - (2) For violation of section 11-204, HRS, making excess campaign contributions to the campaign committees of Anderson, Cayetano, Harris, Hirono, and Hannemann; and
 - (3) For violation of section 11-205.5, HRS, failure to file state contractor reports.
- (B) Notwithstanding all of the foregoing, nothing in this Agreement shall be deemed to constitute an admission of violations by Respondents.

- (C) Engineers agree to comply with campaign finance statutes on contribution and expenditures to candidate committees.
- (D) Terms of payment of the assessment shall be by Order of the Commission.

- VIII. The Commission upon its own motion or a written request of anyone filing a complaint under section 11-216, HRS, may review compliance with the Agreement. If the Commission believes that the Agreement has been violated, it may institute administrative proceedings or a civil action in the Circuit Court of the First Circuit pursuant to section 11-228(c), HRS.
- IX. This Agreement shall become effective as of the date that all parties have signed and the Commission has approved the entire Agreement.
- X. This Agreement constitutes the entire agreement between the Commission and Engineers on the matters raised herein, and no other statement, promise, or agreement, either in writing or oral, not contained in this Agreement made by either party or by agents of either party shall be enforceable.
- XI. This Agreement, unless violated, shall be a complete bar to any further action by the Commission with respect to the violations at issue in this matter.

CA 03-24
Engineers Surveyors Hawaii, Inc.

FOR THE COMMISSION:

Robert Y. Watada, Executive Director

By: _____

Date: _____

FOR THE RESPONDENT(S)

Kendall N.H. Hee

By: _____

(Name)

(Title)

Date: _____